

APPENDIX A

Patient Care Technologies, Inc.

System Pilot Agreement

AGREEMENT made this by and between **Patient Care Technologies, Inc** ("PtCT"), a corporation duly organized and existing under the laws of Georgia and having its principal place of business at 2 Executive Park West, Suite 220, Atlanta, Georgia 30329 (hereinafter called "PtCT"),

and

Immanuel St. Joseph's - Mayo Health System, a corporation duly organized and existing under the laws of the State of Minnesota and having its principal place of business at 1025 Marsh Street, Mankato, Minnesota 56002-8673 (hereinafter called "Pilot Customer").

WHEREAS PtCT warrants that it has developed or is developing computer programs and related databases listed in Exhibit I and specified in the current versions of the related PtCT User's Manuals, the executable versions of which, and any physical embodiments of such versions, and related documentation, hereinafter called "PROGRAM PROPERTY", and whereas Pilot Customer desires to obtain from PtCT the right to use said PROGRAM PROPERTY for a period of time not to exceed six (6) months ("Pilot Term") for the purposes of evaluating the PROGRAM PROPERTY for license, and .

WHERAS Pilot Customer is entering into this arrangement solely for the purpose of evaluating the suitability of the PROGRAM PROPERTY for use in Pilot Customer's business. It is the intent of Pilot Customer, should the pilot test achieve suitable results, to enter into a definitive license agreement with PtCT after the successful conclusion of the pilot test, but there is no obligation of the Pilot Customer to do so.

NOW THEREFORE, the parties hereto hereby agree as follows:

1. DELIVERY

PtCT agrees to deliver to Pilot Customer computer hardware ("HARDWARE") as specified in Exhibit I for use during the Pilot Term. PtCT also agrees to deliver to Pilot Customer an executable version of and documentation of, the PROGRAM PROPERTY as specified in Exhibit I, for use on Pilot Customer's network server and client computer hardware and on the HARDWARE, as specific in Exhibit I, supplied by PtCT.

2. SUPPORT

- a. PtCT will travel to Mankato, Minnesota and install the PROGRAM PROPERTY on the HARDWARE provided for the pilot.
- b. PtCT agrees to provide Pilot Customer with a total of two (2) man days of training and instruction, at Pilot Customer's site, in the use of the PROGRAM PROPERTY and HARDWARE.

3. PRICING AND PAYMENT TERMS

- a. The term of the Pilot Agreement is six (6) months from the date of the installation of the PROGRAM PROPERTY and may be renewed with the mutual consent of both parties. Either party may terminate this System Pilot Agreement with thirty (30) days written notice to the other party. Upon such notification Pilot Customer shall follow PtCT's instructions regarding the de-installation and return of all PROGRAM PROPERTY and HARDWARE. PROGRAM PROPERTY and HARDWARE is to be returned in good condition, normal wear and tear excluded.
- b. Pilot Customer agrees to pay a total fee of \$ NONE for the six (6) month term for the rights granted herein to evaluate the PROGRAM PROPERTY and use the HARDWARE.
- c. All actual and reasonable out-of-pocket expenses incurred by PtCT during the Pilot Term for installation, maintenance, consulting, and/or training and instructions will be the responsibility of PtCT.

4. LIMITATION OF LIABILITY

Pilot Customer agrees to hold PtCT harmless from any liability arising from incorrect operation of the PROGRAM PROPERTY, or from Pilot Customer's possession, use or operation of the PROGRAM PROPERTY and HARDWARE. Pilot Customer further agrees that PtCT will not be liable under any circumstances for errors in clinical judgment or practice made by employees or contractors of Pilot Customer nor for any errors of use by any persons directed by Pilot Customer to use the PROGRAM PROPERTY and/or HARDWARE, such persons being, but not limited to, patients or patients' family members. Pilot Customer further agrees that PtCT will not be liable for any consequential damages or lost profits or lost revenues sustained by Pilot Customer, or for any claim or demand against Pilot Customer by any other party.

5. PILOT PROVISIONS

During the time when the PROGRAM PROPERTY and HARDWARE is in Pilot Customer's possession under this agreement the following provisions shall govern:

- a. If at the end of the Pilot Term Pilot Customer does not wish to license the PROGRAM PROPERTY, Pilot Customer shall follow PtCT's instructions regarding the de-installation and return of all PROGRAM PROPERTY and HARDWARE. PROGRAM PROPERTY and HARDWARE is to be returned in good condition, normal wear and tear excluded.
- b. PROGRAM PROPERTY and HARDWARE shall not be removed from the installation site or made available to any third party.
- c. Pilot Customer agrees not to remove any identifying labels or marks or do any other act inconsistent with PtCT's ownership of the PROGRAM PROPERTY and HARDWARE. If the installation site is leased or rented, Pilot Customer agrees not to affix any PROGRAM PROPERTY or HARDWARE to the premises without the prior written consent of the owner/lessor to permit its removal at any time by Pilot Customer.
- d. PtCT makes no warranties or representations of any kind regarding the PROGRAM PROPERTY and HARDWARE and disclaims all implied warranties including warranties of merchantability and fitness for a particular purpose.
- e. For any breach of this agreement by PtCT, Pilot Customer's sole remedy shall be to terminate this Agreement and return the PROGRAM PROPERTY and HARDWARE to PtCT.

6. ASSIGNMENT

The rights granted hereunder to Pilot Customer are not assignable to any other person or entity, including without limitation, any parent, subsidiary or other affiliate of Pilot Customer. The PROGRAM PROPERTY and HARDWARE shall at all time remain the property of PtCT. The rights granted hereunder excludes any right of reproduction, sale, lease, sublicense or any other transfer or disposition of the PROGRAM PROPERTY and HARDWARE.

7. LEGAL CONSTRUCTION

~~The validity and effect of this Agreement shall be determined in accordance with the laws of the State of Georgia. Pilot Customer submits itself to the jurisdiction of the State Court of DeKalb County, Georgia.~~

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8. CONFIDENTIALITY

The "Receiving Party" (i.e., Pilot Customer or PtCT) hereby acknowledges that its personnel may gain access to information that the other party (the "Disclosing Party") treats as confidential and/or proprietary information that has commercial value in its business and is not in the public domain. "Confidential Information" means any and all proprietary business information of the Disclosing Party that does not constitute a Trade Secret, including any and all proprietary business information of such party of which the Receiving Party becomes aware as a result of its access to or presence at the other party's facilities, and including, without limitation, all proprietary Pilot Customer or PtCT software tools, methodologies, documentation, business plans, product plans, and all related technical materials and enhancements and modifications thereto that do not constitute Trade Secrets. "Trade Secrets" means information related to the business or services of the Disclosing Party that: (i) derives economic value, actual or potential, from not being generally known to, or readily ascertainable by, other persons, and (ii) is the subject of efforts by the Disclosing Party that are reasonable under the circumstances to maintain its secrecy. Assuming the criteria in (i) and (ii) above are met, Trade Secrets include, without limitation, technical and non-technical data related to designs, programs (in both object and source code formats, and documentation related thereto), inventions, finances, actual or potential customers and suppliers, research, development, marketing, existing and future products and employees of the Disclosing Party. "Company Information" means collectively the Confidential Information and Trade Secrets. Company Information also includes information that has been disclosed to any party by a third party which such Receiving Party is obligated to treat as confidential.

The Receiving Party will use the same care to prevent disclosing to third parties the Company Information of a Disclosing Party as the Receiving Party employs to avoid disclosure, publication, or dissemination of its own information of a similar nature, but in no event less than a reasonable standard of care.

Furthermore, except as contemplated by this Agreement, the Receiving Party will not make any use of the Company Information of a Disclosing Party; will not acquire any right in or assert any lien against a Disclosing Party's Company Information; and will not refuse to promptly return, provide a copy of, or destroy a Disclosing Party's Company information upon request of the Disclosing Party. Notwithstanding the foregoing, each party may disclose Company information of the other party to third parties performing services for such Receiving Party related to the purposes of this Agreement and who have a need to know, provided that the party making the disclosure to a third party shall obtain a written non-disclosure agreement from each such third party to whom it discloses the Company Information of a Disclosing Party, which non-disclosure agreement shall contain provisions at least as protective of the Disclosing Party's Company as those contained in this Agreement.

Notwithstanding the foregoing, this section will not apply to any Company Information that the Receiving Party can demonstrate: (i) was, at the time of the disclosure to the Receiving Party, in the public domain, (ii) after disclosure to the Receiving Party, is published or otherwise becomes part of the public domain through no fault of the Receiving Party, (iii) without a breach of duty owed to the Disclosing Party, is in

the possession of the Receiving Party at the time of disclosure to the Receiving Party, (iv) was received by the Receiving Party from a third party who had a lawful right to and, without a breach of duty owed to the Disclosing Party, did disclose such information to the Receiving Party, or (v) is independently developed by the Receiving Party without reference to Company Information of the Disclosing Party. Further, any party may disclose another party's Company Information to the extent required by applicable law or order of a court or governmental agency of competent jurisdiction. However, the recipient of such Company information must give the Disclosing Party prompt notice and make a reasonable effort to obtain a protective order or otherwise protect the confidentiality of such Company information, all as directed by and at such Disclosing Party's cost and expense.

The Receiving Party will immediately notify a Disclosing Party, orally or in writing, in the event of any disclosure, loss, or use in violation of this Agreement of a Disclosing Party's Company Information known to the Receiving Party.

The covenants of confidentiality set forth above: (i) will apply upon the effective date of any Company Information and Trade Secrets disclosed, and (ii) will continue to be in effect for three (3) years after the last disclosure of such Confidential Information or Trade Secrets and survives the expiration of this agreement or its termination by either party as allowed under this agreement.

IN WITNESS WHEREOF, each party has executed this Agreement as a sealed instrument as of the date first above written.

**Immanuel St. Joseph's -Mayo Health System
(Pilot Customer)**

By 

Title Finance

Date: _____

Patient Care Technologies, Inc. (PtCT)

By 

Title CONTROLLER

Date: _____

Rider to System Pilot Agreement with Patient Care Technologies, Inc.

This is a Rider to a System Pilot Agreement (the "Agreement") between Patient Care Technologies, Inc. and Immanuel-St. Joseph's - Mayo Health System dated the _____.
The terms of this Rider supersede any conflicting or inconsistent terms in the Agreement.

1. Section 7 of the Agreement

Section 7 of the Agreement is amended to read: "The validity and effect of this Agreement shall be determined in accordance with the laws of the State of Minnesota."

2. Section 8 of the Agreement

The second sentence of the second paragraph of Section 8 of the Agreement is amended to read: "Furthermore, except as contemplated by this Agreement, the Receiving Party will not make any use of the Company Information of a Disclosing Party; will not acquire any right in or assert any lien against a Disclosing Party's Company Information; and will not refuse to promptly return, provide a copy of, or destroy a Disclosing Party's Company Information upon request of the Disclosing Party; provided, however, that the Receiving Party may maintain one copy of the Disclosing Party's Company Information for archival purposes."

3. New Sections

The following sections are added as new sections to the Agreement.

9. PATIENT INFORMATION

PtCT, its employees or agents (collectively "PtCT") may receive or have access to patient identifiers and patient health information during the Pilot Term. PtCT will not use for any purpose other than this pilot and will not disclose to any other party the identities of the patients or any patient health information except as authorized under Minnesota law.

10. USE OF NAME

Neither party will use the names or trademarks of the other party, or the names of any of the other party's staff, in any news release, publicity, advertising, endorsement, or commercial communication without the prior written consent of the other party.

11. AMENDMENT

This Agreement can be amended only by a writing signed by both parties.

Immanuel St. Joseph's - Mayo Health System
(Pilot Customer)

By: Douglas R. Hines

Title: President

Date: _____

Patient Care Technologies, Inc.
(PtCT)

By: B. J. P. Jr.

Title: CONTROLLER

Date: _____